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UNITED STATES DEPARTMENT OF THE INTERIOR

ANNUAL REPORT OF
THE GOVERNOR
OF THE VIRGIN ISLANDS

FOR FISCAL YEAR ENDED JUNE 30, 1936

UNITED STATES DEPARTMENT OF THE INTERIOR

HAROLD L. ICKES, *Secretary*

THE VIRGIN ISLANDS

LAWRENCE W. CRAMER, *Governor*

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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1936

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ANNUAL REPORT OF THE GOVERNOR OF THE VIRGIN ISLANDS

GOVERNMENT HOUSE,
ST. THOMAS, VIRGIN ISLANDS OF THE UNITED STATES,
September 1, 1936.

The honorable the SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: Pursuant to section 20 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, I have the honor to submit the following annual report of the transactions of the Government of the Virgin Islands for the fiscal year ended June 30, 1936.

CHANGE IN GOVERNORSHIP

On August 31, 1935, Lawrence W. Cramer, who had been Lieutenant Governor of St. Croix since March 18, 1931, assumed duty as Governor of the Virgin Islands, vice Dr. Paul M. Pearson, resigned.

ECONOMIC IMPROVEMENT

The program of economic rehabilitation, developed and prosecuted vigorously during the past 3 years, has resulted in marked economic improvement. The upward trend reported in the 2 previous fiscal years has continued during this year and has become increasingly apparent.

In 3 short years a general attitude of despondency and uncertainty has changed to one of courage, hopefulness, and purposefulness. The rehabilitation program established by the Federal Government has been responsible to a very large degree for this change in attitude.

This program of social, economic, and industrial improvement includes homestead and housing projects, development of agriculture and of the sugar and rum industries, promotion of tourist and winter resident possibilities, the construction of roads and highways, improvement of sanitation and water supplies.

INDEXES OF UPWARD TREND

The following indexes reveal the upward trend:

	Fiscal years			
	1933	1934	1935	1936
Acres in cane cultivation.....	4, 686	4, 505	5, 385	6, 785
Tons of sugar produced.....	4, 125	4, 088. 42	1, 670. 25	3, 730
Gallons of rum produced.....		70, 000	245, 000	239, 033
Arrivals of ocean-going ships in St. Thomas:				
Number of ships.....	469	498	549	647
Tonnage.....	1, 849, 255	1, 938, 637	2, 568, 452	3, 017, 682
Pilotage paid.....	\$8, 283	\$9, 303	\$10, 956	\$13, 850
Value of bunker coal and oil imported.....	\$341, 182	\$339, 259	\$366, 267	\$600, 776
Sale of native products by Virgin Islands cooperatives.....	\$4, 578	\$9, 330	\$23, 371	\$26, 213
Savings deposits.....	\$762, 993	\$754, 708	\$533, 009	\$825, 621
Building permits in St. Thomas:				
Number.....	34	20	21	30
Value.....	\$9, 420	\$6, 680	\$17, 165	\$26, 865

DEVELOPMENT OF NATURAL RESOURCES

GOVERNMENT DEVELOPMENT

The sugar industry, the most important natural resource of St. Croix, has been wisely fostered and developed by the establishment of the Virgin Islands Co. The effects of the rehabilitation program are most directly evident in the improvement of the sugar business of St. Croix.

The improvement of harbor activities in St. Thomas, the only important natural resource of St. Thomas, is due in some measure to the erection of an attractive and suitable hotel for tourists and to the suspension of ships' dues on bunker coal and fuel oil imported for bunkering of ships.

To foster the economic development of St. Thomas, its harbor must be developed and improved. A preliminary engineering survey is now being made by the United States Army engineers to determine the advisability and the cost of deepening the harbor channel, extending the anchorage area, and constructing a graving dock.

PRIVATE DEVELOPMENT

Of great significance is the fact that private capital, even though of small proportions as yet, has begun to enter the Virgin Islands and to assist in their economic improvement. A rum company, financed by American capital, has been established in St. Thomas. A tourist development company, financed by local and foreign interests, has taken over a very desirable tract of land in St. John for the purpose of establishing a winter resident resort. Several Americans have purchased tracts of land in St. Thomas and St. John with a

view to similar development. A large tract of land is under option in St. Croix to an American capitalist interested in the agricultural development of that island.

CONGRESSIONAL LEGISLATION

THE ORGANIC ACT

The most important legislative event in recent years was the enactment by the Congress of a new Organic Act for the Virgin Islands which became law upon its approval on June 22, 1936. For many years efforts had been made to secure an organic act to replace the act of March 3, 1917, which established what was known as the temporary government of the Virgin Islands. That act was hastily drawn and left many legal obscurities.

The new act establishes a form of government on familiar American lines, while retaining as much of the existing political arrangements as are compatible with American principles. The respective powers of the executive, legislative, and the judiciary departments are clearly defined, thus removing a previous source of friction. Wholly elected legislatures take the place of legislatures previously partly elected by the qualified voters and partly appointed by the Governor. The Governor's veto power is changed from an absolute veto to a suspensive veto which may be overruled by two-thirds vote of the legislatures. A legislative assembly is provided to enact legislation applicable to the Virgin Islands as a whole as distinguished from the local legislative powers of the municipal councils. Provision is made for the establishment of universal suffrage beginning in 1938 to replace the existing limited franchise based on income and property qualifications. In general, greater local autonomy and a more democratic form of government are provided. The act has met with universal local approval.

REAL PROPERTY TAX

The enactment by the Congress of an act to establish an assessed valuation real property tax in the Virgin Islands, approved May 26, 1936, has removed a source of much dissatisfaction. Archaic and inequitable tax laws are replaced by a new tax, uniform in its application, equitable in its effects, and reasonable in its rate. By the same act the properties taken over by the Virgin Islands Co. or by the United States and used for business purposes have been made subject to local taxes, thus greatly improving the prospects for increased local revenues for the municipalities and removing another source of dissatisfaction.

COASTWISE LAWS

By an amendment to section 21 of the Merchant Marine Act of 1920 approved April 16, 1936, a grave danger to the vitally important bunkering business of the port of St. Thomas was mitigated. Under this amendment, the Virgin Islands are exempted from the application of the coastwise shipping laws until the President finds that there are adequate American shipping facilities available and by executive proclamation makes the law applicable to the Virgin Islands.

By the enactment of this constructive legislation, the Congress has done much to assist the Virgin Islands and to make possible their improvement politically and economically.

FISCAL

The revenues of the municipality of St. Thomas and St. John during the fiscal year 1935-36 exceeded by 9.97 percent the revenues of the preceding fiscal year, while the revenues of the municipality of St. Croix were 6 percent less than in the previous fiscal year, due to the operations of the Virgin Islands Co.

Total revenues

	1933	1934	1935	1936
Municipality of—				
St. Thomas and St. John.....	\$86,524	\$105,898	\$146,650	\$161,271
St. Croix.....	107,440	119,663	136,266	127,167

Income-tax collections in the municipality of St. Thomas and St. John exceeded 1935 collections by 25.15 percent, while in the municipality of St. Croix income-tax receipts decreased 52 percent.

Income taxes

	1933	1934	1935	1936
Municipality of—				
St. Thomas and St. John.....	\$5,047	\$7,198	\$14,572	\$18,237
St. Croix.....	3,337	6,231	14,397	6,904

In the municipality of St. Thomas and St. John receipts from customs dues exceeded by 39.35 percent those of the preceding fiscal year, and in the municipality of St. Croix receipts from import duty were greater by 27.53 percent.

Customs dues

	1933	1934	1935	1936
Municipality of—				
St. Thomas and St. John.....	\$4, 758	\$7, 590	\$9, 825	\$13, 691
St. Croix.....	7, 678	13, 212	16, 743	21, 352

The fiscal improvement in the municipality of St. Croix is less apparent than is that in the municipality of St. Thomas and St. John. This is due to the fact that the Federal Government has purchased, for its agency the Virgin Islands Co., large tracts of land and removed them from the tax rolls. This condition was fortunately remedied at the last session of Congress, and it is confidently expected that the municipality of St. Croix will increase its local revenues so that eventually no further Federal contributions will be necessary to maintain its purely local activities.

COST OF MUNICIPAL GOVERNMENTS

The cost of the municipal government of St. Thomas and St. John was budgeted at \$244,972, including expenditure of internal-revenue tax funds for street improvements. The United States contributed a deficit appropriation of \$70,000, which was later supplemented by a deficiency appropriation of \$25,000, to offset the loss of municipal revenue occasioned by nonpayment of taxes on properties purchased by the United States and operated by the Virgin Islands Co.

REDUCTION OF FEDERAL DEFICIT APPROPRIATIONS

The United States contributions to the cost of operation of the municipal governments have been reduced materially.

	1933	1934	1935	1936
Municipality of—				
St. Thomas and St. John.....	\$112, 032	\$98, 500	\$90, 000	\$80, 000
St. Croix.....	124, 355	98, 500	94, 990	95, 000

ST. THOMAS HARBOR BOARD

St. Thomas Harbor reflected a continued healthy activity as shown by the following figures:

	1933	1934	1935	1936
Total revenues.....	\$25, 144	\$28, 018	\$26, 860	\$27, 902
Operating surplus.....	9, 106	11, 875	9, 357	9, 310

Bunker coal and fuel-oil imports

	Calendar years			
	1932	1933	1934	1935
Tons of coal.....	64,699	87,724	26,267	60,948
Value.....	\$180,680	\$338,912	\$139,048	\$335,214
Gallons of oil.....	4,997,532	4,094	11,432,703	12,488,736
Value.....	\$106,502	\$347	\$227,219	\$265,562

The increase in 3 years of 38 percent in the number of ships and of 68 percent in the tonnage of ships calling in the harbor of St. Thomas is of vital importance to that island, whose sole dependence for economic development centers in its harbor. In that period the value of coal and oil imported for bunker purposes increased by 76 percent. Every effort should be directed toward developing the safety, convenience, and the facilities of the harbor, so that an increasing share of reviving world shipping may be attracted to it. It is believed that no great engineering difficulties would be experienced in deepening the entrance channel and in increasing the anchorage basin. Both of these are essential to facilitate the present tonnage entering the harbor. The erection of a graving dock would undoubtedly attract additional tonnage to it and would constitute an important step forward in the economic development of the island.

FEDERAL EMERGENCY RELIEF

Federal Emergency Relief funds totaling \$124,000 for continuing relief and \$2,000 for administrative expenses were made available during the year. These were allotted and expended for work-relief projects. A very small part of this amount was allocated for direct relief.

WORKS PROGRESS ADMINISTRATION PROJECTS

Funds were made available under the Works Progress Administration program as follows:

Continuation and extension of homesteading.....	\$151,200
Reconstruction of roads.....	192,000
Improvement and extension of hotel facilities.....	91,400
Administrative expenses.....	25,000
Total.....	459,600

Obligations against these funds to June 30 totaled \$228,854.

PUBLIC WORKS ADMINISTRATION PROJECTS

New allotments to the Virgin Islands from Public Works funds totaled \$1,072,264. Of this amount \$1,000,000 was appropriated for continuation of rehabilitation of the sugar and rum industries in St. Croix, and the balance for Federal repair and reconstruction projects, including \$48,100 for reconstruction of the Government house in St. Croix, the third floor of which was destroyed by fire.

Allotments for non-Federal public-works projects were made as follows:

Street and water supply, St. Thomas-----	\$20, 000
Drains and sewers, St. Thomas-----	50, 000
Drains and water supply, St. Croix-----	41, 939
Total-----	111, 939

The first grant represented 45 percent of the total estimated cost of the project, the remaining 55 percent having been appropriated by the municipality of St. Thomas and St. John. The other two grants were on the basis of 100 percent.

THE VIRGIN ISLANDS CO.

OBJECTIVES

The outstanding activity in the Virgin Islands under the National Recovery program is the Virgin Islands Co., a Government-owned corporation, established in 1934 for the purpose of relieving permanently the widespread and chronic unemployment of a stranded community without capital resources through the industrial development of the islands in general and through the rehabilitation of agriculture and of the sugar and rum industries of St. Croix in particular.

The National Industrial Recovery funds, expended for the development of the Virgin Islands Co., are an investment in the major natural resources of the island of St. Croix, replacing Danish capital which withdrew from the sugar industry of St. Croix in 1930 leaving the island of St. Croix in a desperate economic situation.

This investment of Federal funds was made only after years of unsuccessful efforts to interest private American capital in the rehabilitation of the sugar industry of St. Croix.

While furnishing relief employment to the great majority of unemployed workers of the island, the company has accumulated large inventories of growing sugarcane and a large supply of rum of the finest quality. It has rehabilitated fields and factories. It is providing adequate and comfortable housing for its laborers. It has increased labor wages by 50 percent since its inception.

It is confidently expected that when the Virgin Islands Co. markets its products it will be able to continue its operations with profit and without drain on the United States Treasury. Further, its operations will, in a relatively short time, make the island of St. Croix economically and fiscally self-supporting for the first time since it has come under the sovereignty of the United States. Also, congressional action will be sought to permit the use of the profits of the company to carry the costs of a social security program for the Virgin Islands (which are excluded from the benefits of the National Social Security Act) to pay profit-sharing bonuses to workers employed by the company and to the 1,500 large and small private growers of sugarcane who sell their cane to the company for grinding in its mills.

THE YEAR'S OPERATIONS

Notable forward strides have been made during the past fiscal year. One thousand and twelve acres of land were recovered from bush, bringing the total of such recovered land to 2,938 acres. Seven hundred and eighty-nine additional acres were put into cultivation, bringing the total of new acreage put into cultivation by the Virgin Islands Co. to 1,604 acres.

The island of St. Croix whose most fertile land had grown up in bush is again resuming its former claim to distinction as the Garden of the West Indies, due primarily to the activities of the Virgin Islands Co.

An average employment of 1,116 persons has substantially met the problem of unemployment in St. Croix.

A total of 239,033 gallons of rum were produced. An inventory of 465,966 gallons of rum is being aged preparatory to being marketed.

An active program of housing construction for workers employed in the fields and factories of the company has been carried forward; 15 new village housing units accommodating 38 families and 8 single persons, and 2 village community houses have been completed. Twenty-four old village houses have been reconstructed to accommodate 17 additional families. In various stages of completion are 28 additional units planned to accommodate 66 families and 32 single persons.

The reconditioning of one sugar mill is nearly completed. A contract for the reconditioning of the Bethlehem sugar factory, the largest on the island, has recently been made.

HOMESTEADING

Next to the Virgin Islands Co., the most fundamental recovery project in the Virgin Islands is the homesteading program. In-

augurated in 1932, it is gradually transforming an unstable agricultural population of field laborers into a group of small holders. Under an easy amortization plan, these homesteaders are acquiring possession of plots of land averaging 6 acres each with comfortable small houses which have been constructed thereon. In many cases these small holders were renters of private land, paying from \$5 to \$12 per annum per acre which is in excess of the amount now paid annually as amortizing rental for homestead plots. Others were agricultural laborers earning from 30 to 60 cents a day when fortunate enough to secure employment.

Since the summer of 1932, 3,639 acres of land have been purchased for homestead projects in the Virgin Islands. Of this area, 215 acres were transferred to the Navy Department or reserved for use of the United States Marine Corps for airports in St. Thomas and in St. Croix. Of the remaining 3,424 acres, 1,569 are contracted to 268 homesteaders, and approximately 1,165 acres, including 1,005 acres purchased during this year, are being cleared, surveyed, and put in readiness for allotment to approximately 105 additional homesteaders. The balance of the land includes roads, watershed areas, shore fronts, community reserves, and uncultivable areas.

There have been completed 64 new or reconstructed homestead houses of stone or concrete. Forty-seven additional houses are now under construction or in preparation for construction.

The gross expenditures chargeable to the Virgin Islands homestead project from 1932 to 1936 are \$270,015. Property valued at \$13,280 was transferred for the use of the United States Marine Corps, leaving a net expenditure properly chargeable to homesteading of \$256,735. Principal repayments have been made in the sum of \$14,410. Interest and rental payments have been made in the sum of \$8,937.

Against the net chargeable cost of \$242,325 (total chargeable cost of \$256,735, less principal repayments of \$14,410) there stands an inventory of \$227,352. The operating loss of \$14,973 covers 4 years' cost of administration and supervision, depreciation, and uncollectibles. This loss is offset by a credit of \$8,937 for interest and rentals paid to the United States Treasury. The net loss of \$6,036 may properly be said to be the total cost to the United States Government of establishing 268 homesteaders and assisting them for a period of 4 years.

The success of the project is evidenced by the following factors:

- (1) Less than 15 percent of all homesteaders have abandoned their plots or have been evicted for failure to work or to pay installments.
- (2) The 268 homesteaders now on the land have paid 95 percent of all installments and interest due.

(3) Some homesteaders have paid installments for several years in advance.

(4) Most of their land is now in cultivation.

(5) All land, cultivation, and house payments this year have taken less than 35 percent of the homesteaders' gross income.

(6) Their net land income has averaged about 50 percent more than they could have earned as laborers.

Many homesteaders have had time and opportunity to earn outside wages. The individual homesteaders have gained greatly by this program, the community has benefited, and the cost to the Federal Government has been negligible.

TOURIST AND WINTER RESIDENT TRADE

BLUEBEARD CASTLE HOTEL

The program inaugurated by the Government in 1934 for the promotion of tourist and winter resident possibilities in St. Thomas by the construction and operation of the Bluebeard Castle Hotel has proved highly successful. This hotel has operated at capacity throughout the winter season, and over 100 prospective guests had to be turned away because of lack of space. Improvements and extensions now under construction will increase the capacity of this hotel by 60 percent.

Privately operated hotels were filled to capacity during the winter season. The demand for accommodations, not only at hotels, but for residences and cottages, was greatly in excess of available space. The most imperative need is for the purchase of a tract of land, including one of the desirable beaches of the island, on which a series of low-cost cottages can be erected and completely furnished for occupancy by winter residents. Difficulties in connection with the purchase of suitable land have delayed the undertaking of this project by the Government.

PRIVATE OPERATIONS

A tourist development company has been organized and has purchased an 800-acre estate on the island of St. John with a view to constructing cottages thereon. This company has inaugurated a daily boat service between St. Thomas and St. John to assist in the development of St. John.

TREASURY RELIEF ART PROJECT

Late in the fiscal year, the Treasury relief art project was extended to the Virgin Islands. Opportunity has been afforded five American artists to paint the almost unlimited number of attractive subjects

available in the Virgin Islands. The paintings will be exhibited in various galleries in the United States, and will undoubtedly be of great value in attracting visitors to the islands.

SURVEY OF FEDERAL ARCHIVES

Funds have been appropriated for an archives project with a view to making a survey of historical documents now scattered in the various Government offices, to preserve those of importance, and to prepare information of historical value and of general interest concerning the islands.

URBAN HOUSING

The Housing Division of the Federal Emergency Administration of Public Works is constructing three housing projects, one in each of the towns of the islands. In St. Thomas the program contemplates the construction of 30 buildings with 134 rooms, divided into 16 one-room, 47 two-room, and 8 three-room units. In Christiansted 15 buildings with 60 rooms divided into 30 two-room units are to be provided. In Frederiksted 20 buildings with a total of 80 rooms divided into 4 one-room, 32 two-room, and 4 three-room units are being constructed.

EMERGENCY CONSERVATION WORK

This program consists of two 100-man camps, one located in the island of St. Thomas and one in the island of St. Croix. Among the numerous and beneficial projects which have been carried on are the reconstruction of a scenic road in St. Thomas, the development of adequate recreation areas in and adjacent to the three towns of the islands, and reforestation, fire control, and soil-erosion control activities.

ORGANIZATION OF TREASURY ACCOUNTING FACILITIES

In November 1935, pursuant to Presidential Executive Order No. 7034, dated May 6, 1935, the Treasury Department of the United States undertook the work of purchasing, disbursing, and accounting for projects under the Emergency Relief Appropriation Act of 1935. The Treasury Department's organization consists of an accountant-in-charge, a State procurement officer, a deputy State procurement officer, a disbursing clerk, and an assistant disbursing clerk.

NONFEDERAL PROJECTS

The Federal Emergency Administration of Public Works has made available to the municipality of St. Thomas and St. John a grant of \$20,000, representing 45 percent of the total cost of a project to repair, improve, and extend the salt-water flushing system in the city of St. Thomas and to widen and pave with bituminous macadam surfacing the streets within the city limits. To this allotment the municipality has added \$24,444 from internal revenue tax receipts, the total estimated cost of the project being \$44,444.

Late in the fiscal year, 100 percent grants of Federal funds were allocated to the municipality of St. Thomas and St. John in amount of \$50,000 for construction of surface drains and sewage-disposal system improvements, and to the municipality of St. Croix in amount of \$41,939 for construction of water supply and surface drain improvements. The St. Thomas project will consist of the improvement and enlargement of the present salt-water flushing and fire-protection systems. In St. Croix surface drains will be reconstructed and a salt-water service for fire protection and flushing will be installed.

ROAD PROGRAM

To provide scenic roadways which will add to the attractiveness of the islands to tourists and winter residents, to construct and reconstruct economically important highways in a way to reduce future maintenance costs, and to increase employment, an appropriation of \$192,000 was made available from Works Progress Administration funds to improve, rebuild, and construct roads in the Virgin Islands.

In the island of St. Thomas the project consists of rebuilding, regrading, and paving with asphaltic macadam 4 miles of two-lane paved highway, and constructing 15 miles of new dirt road along the north mountain side. Four miles of dirt country roads will also be regraded, surfaced, and drained.

In St. John the work consists of clearing of vegetation, construction of culverts, opening of drains, and grading extended sections of trails which are the only roadways in that island.

In the island of St. Croix, the centerline highway between the towns of Christiansted and Frederiksted is being improved for practically its entire length of 15 miles by resurfacing with limestone macadam on the old foundation and then surface treating the entire distance with an asphaltic oil.

This program will provide employment for an average of 350 persons through June 30, 1937.

HEALTH AND SANITATION

INFANT MORTALITY

There has been a significant rise in infant mortality, due largely to intestinal complaints. The infant mortality rate of 170.5 per thousand children born alive during the calendar year 1935 is the highest on record since 1928 when the rate was 213.8. Corrective sanitation measures were instituted promptly, and it is encouraging to note that during the period January to June 1936 the tentative infant mortality rate was reduced to 96.4 per thousand.

DEATH RATE

The death rate for the calendar year 1935 of 22.4 per thousand population is the highest on record since 1928 when the rate was 25.1. This increase is attributed to the high infant mortality which influenced the general mortality rate.

INFANTILE PARALYSIS

Two cases of infantile paralysis were reported in the island of St. Thomas. While it was not possible to establish the source of these cases, prompt precautionary measures were instituted, and all suspicious persons were isolated.

MALARIA

Malaria continues to be under complete control. In St. Croix 18 cases were reported, all infected off the island. Two cases were reported from St. John and none in St. Thomas.

TYPHOID FEVER

Eight cases of typhoid fever were reported in St. Croix, the first outbreak since 1933. All school children were again vaccinated, as well as hundreds of adults. The exact source of infection and its method of transmission have not been discovered, although thorough investigations were conducted of milk and water sources and fly breeding.

GENERAL

Outside the sporadic occurrence of these diseases, there have been no epidemics in the Virgin Islands during the year.

SANITATION

The control of mosquito breeding places presented a problem when copious rains fell after a prolonged drought. Improvement of sanitary conditions is expected upon completion of water supply, drainage, and sewage-disposal projects now under construction.

INVESTIGATIONS

Professor Francis W. O'Connor of the Columbia University College of Physicians and Surgeons, and Presbyterian Hospital, New York City, an outstanding authority on filariasis, spent a total of 6 months in the island of St. Croix undertaking special research work in this disease. He investigated the development of the microfilaria in wild and laboratory-reared mosquitoes and made observations on the transmission of the disease under natural conditions.

Dr. Donald Augustine, helminthologist, of the School of Public Health, Harvard Medical School, Boston, accompanied Professor O'Connor on one of his visits, and undertook special helminthological work on a new filaria.

Dr. John McMullen, medical director, United States Public Health Service, trachoma expert, investigated the incidence of trachoma in the Virgin Islands. He held several clinics, operated on several cases, and demonstrated methods of therapy. His conclusion is that trachoma does not exist in St. Thomas, but that it does exist in St. Croix.

EDUCATION

A comprehensive study of present educational facilities and achievement has been undertaken, and recommendations have been formulated for a reorganization of the educational system to provide educational training appropriate to the abilities and needs of the children. This study has included the gathering and preparation of detailed reports and summaries of equipment; individual case histories of training and experience of teachers; preparation of age-grade tables and summaries; tabulations of results of standard mental tests and achievement tests in all schools. Specific recommendations for reorganization have been embodied in a draft of a new school law which has been submitted to the municipal councils for action.

There was an enrollment of 3,244 in the public schools as compared to 3,460 in the previous year.

A program of adult education limited to courses in practical arts and occupations was conducted for a term of 20 weeks with the aid of funds granted by the Federal Emergency Relief Administration.

PUBLIC WELFARE

The department of public welfare continued its normal welfare activities including the administration of regular government aid in the form of pensions.

The emergency work of this department under the national recovery program consisted of relief investigations, work assignments, direct relief, and work projects conducted by the department. Mattress making, sewing, and pillow-making projects were conducted successfully, affording relief employment to a number of women and providing for the distribution of the finished products to needy persons.

AGRICULTURAL EXPERIMENT STATION AND VOCATIONAL SCHOOL

ST. CROIX

The agricultural experiment station in St. Croix has contributed administratively to homesteading and allied projects and has undertaken projects which have had direct relationship with the general agricultural program. Many current problems of plant and animal diseases, control of insect pests, improvement in soil cultivation, and conservation of moisture have been studied. Sugarcane seedling tests have been continued together with comparative propagation and production tests of miscellaneous sugarcane varieties. Experiments have been conducted with field crops of certain legumes to determine their value for green manure crops. These legumes have made good growth, but the results cannot be tabulated until they are matured. The eradication of the corn earworm, which has been a serious pest and in many instances has practically destroyed entire crops of field corn which serves as an important food crop for livestock, has been investigated in a 1-acre experiment. Best results were obtained by hand applications of poison dust consisting of a formula of hydrated lime, 60 pounds, and arsenate of lead, 40 pounds.

New varieties of sweetpotatoes were tested and developed. Two strains of sea-island cotton and one lot of Egyptian (tree) cotton were planted in small plots in order that observations could be made as to the presence or absence of the pink bollworm which has been the most destructive cotton pest in the island. Routine examination of green bolls showed an average infestation of 17 percent. A small citrus grove was planted on a selected area.

VOCATIONAL SCHOOL

The curriculum of the vocational school was revised to provide for a course of study in applied agriculture. The students' average week consisted of 3 days classroom work, 2½ days field work or work projects, five 2-hour evening periods of supervised study and three classes of band practice and supervised recreation. To improve student field activities and obtain maximum efficiency in laboratory and field studies, approximately 15 acres of agricultural station land was set aside as a school farm. All of the work on this farm has been done by students under supervision of the station and school staff.

ST. THOMAS

A major achievement in St. Thomas was the introduction, propagation, and distribution of the bull tyre palm. The leaves of this palm are used in the manufacture of native hats, mats, baskets, and numerous other handcraft articles. In the past the entire supply of this fiber has been imported. A thorough study was made of this plant industry and a supply of seeds obtained. Approximately 8,000 young trees have been propagated for distribution. Fiber for the local market will not be produced before 4 or 5 years. It is planned to continue the propagation and distribution of the bull tyre palm to insure an adequate supply for local needs and, if possible, a surplus for export.

To provide for future inarching and grafting work, grafted mangoes of some of the best varieties were imported from Florida and set out on station grounds. An experiment is also being conducted with imported budded avocado trees in an effort to produce sufficient quantities for local demand as well as export. Experiments were also conducted in citrus planting to determine suitability of varieties to local conditions.

THE VIRGIN ISLANDS COOPERATIVES

The Virgin Islands Cooperatives have continued to progress steadily. This organization has furnished work to a considerable number of persons and its operations have been profitable, enabling the workers to receive a 3-percent bonus on the amount of their earnings for the year. Classes were conducted to instruct the younger people in the weaving of baskets, plaiting of palm, and embroidering of linen. During the year 637 persons worked on production of merchandise for sale, earning \$13,540. The mail-order business is being actively pushed. The tourist trade showed an increase of 46 percent.

PUBLIC WORKS DEPARTMENT

Many important repair and reconstruction projects were undertaken and completed by the public works departments of the municipal governments with funds made available by the Federal Emergency Relief Administration and the Federal Emergency Administration of Public Works.

In St. Thomas a 3,000-gallon capacity cistern was constructed at estate Lerkenlund for conserving the flow and storing spring water for use of the inhabitants in that vicinity.

In St. Croix the restoration of Government House which was partly destroyed by fire was begun. The public works department has continued its regular maintenance work including upkeep of all government buildings, repairs of streets and roads, maintenance of public reservoirs, street cleaning and garbage collection, and maintenance of public parks and cemeteries.

NORMAL ACTIVITIES

In the public libraries, a steady increase in circulation and attendance is reported. The police and prison departments, the fire departments, the harbor department, and the courts have functioned normally during the year.

ST. JOHN

Twelve miles of roadway have been widened, graded, and drained from funds allotted under the Works Progress Administration program. A mosquito abatement campaign was inaugurated in conjunction with the road project.

Eight hundred and fourteen consultations and treatments were given by the commissioner, who is a medical doctor, to 586 patients. A radiotelephone has been installed to insure prompt communication with St. Thomas.

A tourist development company has purchased an 800-acre estate in this island with a view to constructing cottages for the developing of the winter resident possibilities of that island.

MARINE CORPS AIR BASE

On September 23, 1935, a Marine Corps air base was established in St. Thomas with 6 land planes, 1 amphibian, 12 officers, and 67 men. This force has now been increased to 9 land planes, 2 amphibians, 16 officers, and 102 men. A Public Works Administration contract has been awarded by the Navy for the construction of

aviation facilities at the Lindbergh Bay area which was transferred from the jurisdiction of the Interior Department to that of the Navy Department. The establishment of this Navy unit in St. Thomas has been of great benefit to the community from an economic standpoint. Through the courtesy of the Navy Department and with the splendid cooperation of the personnel of the marine air base, the officials of the local administration have been provided with rapid means of interisland communication.

INSPECTION OF WATER SUPPLY

Mr. A. F. Johnson, assistant engineer of the United States Bureau of Reclamation, was assigned to the Virgin Islands late in the fiscal year to investigate and report on the water supply of St. Thomas. His preliminary report indicates that the full use of existing roof catchment areas and the provision of adequate cistern facilities to store water gathered on roofs must be the first consideration in obtaining a water supply for St. Thomas. For that portion of the population having insufficient roof area, a supplementary supply from concrete catchment areas with reservoirs and distribution systems should be provided as an extension of the present system.

HARBOR IMPROVEMENTS

The River and Harbor Act of August 30, 1935, authorized a preliminary examination and survey of St. Thomas Harbor to consider the advisability of improving its facilities.

A public hearing was held in St. Thomas by representatives of the Corps of Engineers, United States Army. Recommendations were submitted for extension of the existing anchorage and maneuvering area; for removal of Scorpion Rock; for construction of a breakwater and bulkhead and for establishment of a graving dock.

A preliminary engineering survey of these recommendations has been authorized and is being conducted.

CONCLUSION

Politically and economically, the Virgin Islands are making steady forward strides. The outstanding political development of the year was the enactment of the new Organic Act, which provides an autonomous and democratic form of government. Economically, the operation of the Virgin Islands Co. and the success of the home-steading program are the outstanding features.

The National Recovery activities have been of material benefit to the Virgin Islands. Continued active development of the sugar

and rum industries of St. Croix, promotion of tourist and winter resident trade, and improvement of the harbor facilities of the port of St. Thomas will result in making the islands self-supporting.

This is the objective of the rehabilitation program, which has been prosecuted during the past 3 years. Continued appropriation of funds for these fundamental improvements is strongly recommended.

Respectfully,

LAWRENCE W. CRAMER,
Governor.



